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For Immediate Release: January 4, 2005
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**DEPARTMENT OF WORKFORCE DEVELOPMENT ENTERS SETTLEMENT
AGREEMENT IN AR ACCESSORIES BUSINESS CLOSING CLAIM**
*Settlement in the amount of \$2 million dollars will benefit approximately 300 former
employees*

Madison - Department of Workforce Development (DWD) Secretary Roberta Gassman today announced that DWD entered into an agreement with JP Morgan Chase Bank, N. A.; Bank One; U.S. Bank National Association; and, Harris Trust and Savings Bank (Chicago) to settle claims filed by former employees of AR Accessories.

AR Accessories Group, Inc. operated as Amity Leather and Wallet Works stores in Wisconsin. The factory was located in West Bend, with the main office in Milwaukee. In March of 1998, DWD began an investigation of allegations that factory workers were laid off without proper notice in violation of Wisconsin Business Closing and Mass layoff laws. In May 1998, 100 additional employees were affected when the Wallet Works stores closed. In June 1998, the department filed a lien to protect wages owed to these employees.

On June 24, 1999 DWD found that the company owed wages to 218 employees from West Bend and 35 employees in Brown Deer. The total amount owed was found to be \$1,506,239.19. Various parties filed appeals to DWD's ruling. Since March 1998 this case has been litigated through the Bankruptcy Court and the 7th Circuit Court of Appeals.

The settlement provides for a payment in the amount of \$2 million dollars to DWD. DWD has agreed to deposit these monies in an account pending resolution by DWD as to the distribution and has agreed to resolve any appeals within six months. Once approved and agreed to by all parties, the distribution of these funds is expected to begin.

Secretary Gassman said. "I am pleased that the department was able to reach an amicable agreement with the financial institutions so these hard-working former employees can receive the compensation that they are due. Our workers are our greatest resource, and protection of their rights is one of DWD's highest priorities."

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